FINANCIAL POSITION

The essential facts regarding the assets and indebtedness of the State, bonded and otherwise, are set out in the statement attached to the printed budget. It will be clear from the statement that the financial position of the State remains as satisfactory and intrinsically sound as when the budget for the current year was presented to the House.

BUDGET ESTIMATE FOR 1117 M. E.

The budget for the coming year, it must be stated at the outset, is not spectacular, in any sense of the word. Its essential characteristic, if Honourable Members will allow me to say so, is that it is based on principles of conservative finance. Economy in public expenditure without doing violence to the accepted policy of liberality in the provision for utility services has been our aim. It will be noticed from the budget estimate that we are expecting by way of receipts Rs. 113·49 lakhs and that the expenditure is expected to amount to Rs. 108·96 lakhs, leaving a surplus of Rs. 4·53 lakhs. Both in respect of receipts and disbursements, a considerable falling off will be noticed as compared with the revised estimate figures for 1116.

CYCLONE RELIEF MEASURES

The State has just passed through a disaster of the first magnitude. I refer to the terrible cyclone which swept through the State for about twelve hours on 26-27th May, 1941. In violence it stands unparalleled in the history of this State; and although, thanks to an all-merciful Providence, few lives were lost, the loss to property, especially to trees and plantations of various kinds, has been enormous.

It will, I think, be readily acknowledged that prompt measures were taken by His Highness's Government to relieve the distress caused by the cyclone. Amounts to the extent of a lakh and fifty thousand rupees have been set apart for distribution in the shape of free grants for the reconstruction of houses and for the distribution of rice among those who have been rendered homeless. A further sum of two lakhs of rupees has been sanctioned for loans, interest-free and otherwise, to those who are in immediate need of cash to repair the damages to their property. Laws have been passed giving time to debtors for payment of their obligations and fixing an easy commutation rate for paddy where the dues are payable in kind. Coercive steps of every kind have been ordered to be kept in abeyance for a

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specified time. The Director of Public Instruction has been authorised to allow reduction in school fees in all deserving cases during this educational year. The contribution of Rs. 3,50,000 above-mentioned, besides giving immediate and timely succour to the victims of the disaster, is an indication, more effective than words, that distress in any form among the subjects of the State will always receive the sympathetic attention of Government. Instructions have also been given to the officers concerned to gather full and accurate details with regard to the extent of disaster; and when these are collected and supplied, as it is hoped they will be within a very short time, the question of further concessions by way of increased grants for agricultural loans and of remissions of land revenue in regard to the destruction of trees and crops assessed to revenue will be carefully considered. Governmental generosity held in reserve to be extended on proof of eligibility and the difficulties ahead in the matter of realisation of revenues from all sources in as smooth a manner as has been possible hitherto are factors that have to be taken into account in making revenue forecasts; they should, I submit, be prominently kept in mind by others also in looking at our estimates of income and expenditure for the coming year.

Another fruitful source of disquietude is the uncertainty regarding general trade and international conditions, which precludes our making a forecast, with any degree of exactitude, of the receipts for the coming year from sources which are dependent upon trade. It is obvious that no Government, under wartime conditions, can afford to budget in the way it usually does in peace-time. Expensive and expansive schemes of public utility have to be laid by for the moment, so that expenditure might be restricted without efficiency being impaired.

PUBLIC UTILITY WORKS

Even a cursory examination of the estimates of expenditure for the next year would disclose that, although we have not provided for very many major schemes of reproductive work, the allotments made to meet the competing needs of the various departments of Government are both ample and generous. The surplus which has resulted represents just that margin of safety which is so essential to make room for possible readjustments consequent upon altered conditions in the course of the year.

I will now, with your permission, take you to some new features of the estimates for the next year. Honourable Members would assuredly have noted with satisfaction that, although our

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